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FINANCIAL MANAGEMENT OF LIBRARIES AND INFORMATION CENTRES

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Legal Basis for Public Library Finance : A comparative study of financial provision under the library laws and rules of five states of India

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0 Introduction

Availability of adequate financial resources and proper utilisation of these resources play the most vital role in the development of public libraries, A public library law, which aims at "free document service for all" should, therefore, give proper attention to both these aspects of financial management. Five states in the country, viz., Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra and West Bengal have so far enacted their public library laws, but how far these laws have been able to ensure flow of adequate funds and their efficient utilisation? This is the question that the present paper tries to answer.

I Flow of funds

All the laws mentioned above have recognised the need for "a stable financial base" for public library development as is evident from the fact that each of the laws provides for creation of a fund, known as 'Library Fund , to be utilised exclusively for the maintenance and development of public libraries as against spending from the general fund of the state government.

II Main sources

There is, however. difference of opinion among these states as to what should be the main sources of finance. While the laws of Tamil Nadu, Andhrapradesh and Karnataka provide for collection of library cess mainly as a surcharge on property tax (except in the urban areas of Karnataka where the library cess is also levied on taxes on entry of goods, vehicles and employment) with matching grants from the state governments (except in Karnataka where there is no provision for a matching grant but a provision for supplementing the cess collection in rural areas by providing a grant equivalent to three per cent of the land revenue collection). the laws of Maharashtra and West

Bengal depend mainly on grants provided by the state governments. But the two Acts do not recommend any basis for calculating the amount of grants to be given. Only Maharashtra Act stipulates a minimum amount (viz., Rs. 25 lakhs).

12 Other sources

The laws also mention about some other sources of finance such as:

(i) Contribution, gifts and income from any endorsement ;

(ii) Social grants from the state government for any specific purpose ;

(iii) Any grant from the central government (in Karnataka and Maharashtra only)

(iv) Amounts like fees, fines, etc. collected by the local library authorities. Obviously, the availability and amount of resources from these sources are uncertain and hence no planning can be made on the basis of these resources. All calculations should, therefore, be based on the main sources.

13 Adequacy of Fund

The two methods of generating library funds, viz., collection of cess supplemented by matching grant and provision of lumpsum grants, have their own advantages and disadvantages, While in the former method, there is always a certainty about availability of a minimum amount, the total amount collected through cess may not be sufficient if the cess is levied at a very low rate and/or on tax on one item alone. In the latter method, there is always a possibility of fluctuation in the amount of grants received and the amount depends on the priority given by a government to library services. Thus, none of these methods can ensure adequancy of funds unless conscious efforts are made to this end.

14 Need of assessment

It is needless to stress that to achieve a minimum standard of public library service it is necessary to make a thorough assessment of the financial requirements based on costing methods and prospective planning, before drafting a library bill and the bill should have mandatory provisions for sufficient funds for the present and future needs. Such assessment has not possibly been made in any of the states so far and none of the laws ensures even sufficient funds for the present need, not to talk of a progressively higher quantum of resources to meet the rising costs of maintenance and development of public libraries.

15 Alternative estimation

If the type of assessment suggested above is not possible, some standard method of estimation may be adopted to estimate the financial requirements. The main three such methods are 'per capita, method which calculates on the basis of expenditure

per head of population, 'proportional method' which may earmark a proportion of the general budget or education budget for spending on library services, and 'method of details' which calculates on all items of expenditure. Since various standards are already available for calculation by per capita and proportional methods and it is difficult to get ready statistics for all items of expenditure, any of the first two methods may be fovoured. But none of these methods seems to have been followed while making financial provisions in the existing library laws.

16 Mandatory provision

This may be evident by comparing the desired financial allocation in any state computed according to any of the above methods with the actual allocation. Ranganathan suggested spending of 50 paise per head in 1964. Keeping in view the erosion in the value of rupee during the last decade, the basis of calculation should not be less than Rs. 1 50 per head at present. According to this modest rate, the allocation for library development should not be less than Rs. 7.50 crores in Tamil Nadu, Rs. 8.25 crores in Andhra Pradesh and Rs. 9 crores in West Bengal. But the actuals are much less than these figures. To make it obligatory for the government to spend the minimum amount it is desirable to include the basis of calculation within the framework of the library law itself.

2 Calculation of fund

The authorities responsible for maintaining library funds are not directly responsible for collecting finances available from all the sources. While the authorities concerned collect all contributions, gifts and income from endowments and amounts like fees, fines. etc., it has to depend on the government and local bodies for finances from other sources.

21 Cess collection

In Tami Nadu, Andhra Pradesh and Karnataka where the library laws prescribe levying of library cess, the cess collection is the responsibility of the local bodies since property tax is collected by them. This responsibility of the local bodies has been clearly mentioned in the respective laws or rules. The cess so collected are transferred to the library funds. The laws of Tamil Nadu and Karnataka do not recommend any procedure to be followed and set any deadline for such transfer. But the rules under the Andhra Pradesh Public Libraries Act delineates a definite procedure according to which 75 per cent of the cess collected in a financial year is to be transferred immediately after the close of the financial year and the balance 25 per cent as soon as the audited figures of the tax collection are available. Such a procedure ensures quick transfer of the collected cess to the library fund. The rules in Andhra Pradesh also direct the library authorities of the districts to move the Director of

Public Libraries in case the above procedure is not followed so that he can take up the matter with the concerned authorities. There is even provision for disciplinary action for delay in transfer of the cess. Such monitoring and follow-up action are essential in the interest of public library development and specially in view of the prevailing condition in many government offices where files move at a snail's pace.

22 Grant Collection

In Tamil Nadu and Andhra Pradesh, where the state government is required, under the provisions of the library law, to provide a grant equal to or not less than the amount of library cess collected in each area (except in city of Madras), no procedure has been outlined in the respective laws and rules. Evidently, for calculating the amount of grant to be given, the government will require a statement showing the total amount of library cess collected in each area. The law itself should make it obligatory for either the local body responsible for collecting the cess of the respective library authority, whoever may seem to be in a better position to do the job, to submit such a report within a stipulated time. This will ensure quick release of the grant. In Karnataka, however, where there is a provision for government grant to the district library authorities only, at the rate equal to three per cent of the land revenue collection of the district concerned, a definite procedure has been prescribed according to which, the government sends intimation showing the amount of grant available, the chief librarian of the district concerned submits bills twice in a year in June and in December for the due amount, against which the amounts of grants are credited to the district library fund. In Maharashtra and West Bengal, where the government grant is the most vital source of public library finance, no procedure has been recommended and as such the amount (not less than Rs. 25 lakhs in Maharashtra), procedure and the time for making the grant available are left to the discretion of the government. As a result, there may be procedural and other delays in obtaining the grant which may create difficulties in running the libraries.

3 Maintenance of funds

There is again difference among the states as regards which agency should be responsible for maintaining the library fund and whether there should be a single consolidated fund or a number of funds at different levels. In Maharashtra, there is a single library fund maintained by the state government from which all expenses for the development and maintenance of public libraries are met. In Karnataka, there is a state-level library fund maintained by the State Library Authority as also there is a library fund maintained by each City Library Authority and District Library Authority. In rest of the states too, there are multiple library funds maintained by Local Library Authorities. In West Bengal, a library fund is also maintained by each library.

31 Centralisation vs. decentralisation

The reason behind adoption of any of the above provisions by a particular law is not known, but may be presumed to be the expected efficiency in financial management. But the very existence of differences in the provisions in different laws makes this presumption doubtful. It is very unlikely that the efficiency aspect was at all seriously considered while drafting the bills. The question of centralisation or decentralisation of library funds should be considered keeping in view the library structure envisaged and the level of integration sought by a library law. Another important point to be considered in this regard is whether a law provides for creation of a separate cadre of public library personnel, i.e. state library service, as has been provided in the Acts of Karnataka and Maharashtra.

4 Operation & transaction

A library fund consists of public money and, therefore, caution must be taken for maintaining and operating the fund. This spirit is visible in the Acts of all the five states. Like any other public money, all amounts received for a library fund are deposited in a government treasury or in approved bank, but the persons responsible for maintaining and operating the funds vary from state to state. In Tamil Nadu, the local Library Authority maintains the fund and the account is operated by the chairman of the authority or some person duly authorised by him. In Andhra Pradesh also the Zilla Granthalaya Samastha maintains the fund, but the account is operated by the secretary, his signature has to be countersigned by the chairman. But in Karnataka, the state library fund is maintained and operated by the State Librarian, while the city library funds and district library funds are maintained and operated by the chief librarian concerned. In Maharashtra, the procedure is not mentioned in the Library Act. But it is presumed that the fund is maintained and operated by the Director of Public Libraries since there is a single library fund at the state level. In West Bengal, the rules do not indicate the procedure of maintaining the library funds at the disposal of local library authorities. The funds of the individual libraries are mentioned and operated jointly by the secretary and joint secretary of the managing committee of the library concerned. Thus in most cases, the library funds are operated jointly except in Tamil Nadu and Andhra Pradesh. It may be pointed out that though it may be easy to operate a library fund by a single official, to check any possible misuse of funds, it is advisable that the fund is operated jointly at least by two officials.

5 Utilisation of fund

Efficient utilisation of any fund depends mainly on the efficiency of the officials responsible for utilising the funds and the law can only ensure proper budgeting and safeguard misuse and misappropriation of the funds. The rules under the Library Acts of Tamil Nadu and Andhra Pradesh have made it obligatory for every local library

authority/Zilla Granthalaya Samstha to submit a budget every year by February 1 of the preceding financial year. Library laws of other states are silent on this issue. It may be presumed that library authorities in those states also prepare budgets as a matter of routine. However, mandatory provision for preparation and submission of budgets well in advance is always advisable. As regards maintenance of accounts and auditing of such accounts, all the laws, except that of Maharashtra, have made obligatory for the local library authorities to maintain the accounts of all receipts and expenses and have made such accounts liable to be inspected and subjected to "audit, disallowance and surcharge". The rules under the library laws of Tamil Nadu, Andhra Pradesh and Karnataka also clearly state the duties of the persons responsible for submitting the accounts and those of the auditors and provide legal sanction for recovery of any amount paid illegally from the person or persons identified as responsible for such payment. These provisions will go a long way in checking illegal transactions. It is, however; surprising why the library law for Maharashtra is silent on this issue.

6 Conclusion

The foregoing analysis of the various existing laws and rules clearly shows that none of the laws ensures flow of adaquate amount of funds and there are also some shortcomings here and there, Library and information service is an important input for national development and self development of public libraries to cover the entire population and to achieve this goal all hinderances must be removed, The library laws should be able to take up the challenge, which is possible if these are properly drafted. Keeping in view the shortcoming in the financial provisions, which have been pointed out, the existing laws should be suitably amended and these should be borne in mind while drafting bills for other states too.

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